

# Public Report Sustainable Forest Management System

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# AJA EUROPE SRL

## PUBLIC AUDIT REPORT – SFM

### TO BE SUBMITTED TO THE ORGANIZATION, IFCC AND TO AJA EUROPE



**ORGANIZATION NAME:** PT Harapanjaya Makmur Lestari

**TOTAL HECTARES:** 5,086.44

**SCOPE OF REGISTRATION:** Sustainable Forest Management of 5,086.44 hectares of Plantation Forest in Riau Province

**STANDARD/CRITERIA:** IFCC SFM & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

**TYPE OF AUDIT:** Transition to IFCC ST 1001:2021 + Surveillance 2

**AUDIT START DATE:** 29 July 2024

**AUDIT END DATE:** 1 August 2024

**LEAD AUDITOR:** Agung Utama Lubis

**AUDIT TEAM:** Ardi Prasetyo

Amin Kadeni

In signing this document, the Audit team confirms that they have had no involvement with the company under audit in terms of consultancy, training, direct employment etc. within the last 2 years and have no other involvement (financial, shareholding or commercial) that would constitute a Conflict of Interest

**SIGNATURE:**

**SIGNATURE:**

**SIGNATURE:**

**MAJOR CARS: 0**

**MINOR CARS: 0**

<b>SITE NAME (Legal Name):</b>	<b>ADDRESSES OF ORGANIZATION SITES VISITED INCLUDING COUNTRY</b>	<b>DATE OF EACH SITE VISIT:</b>
Head office	Jl. Sei Duku No. 333, Kelurahan Tanjung Rhu, Kecamatan Lima Puluh, Pekanbaru 28143, Provinsi Riau, Indonesia	29-30 July 2024
Site Address	Kecamatan Pelalawan dan Kecamatan Teluk Meranti, Kabupaten Pelalawan, Provinsi Riau, Indonesia	30 July to 1 August 2024
<b>SITE NAME (Legal Name):</b>	<b>ADDRESSES OF ADDITIONAL SITES NOT VISITED BUT STILL COVERED BY THE REGISTRATION INCLUDING COUNTRY – TO BE COMPLETED IF CLIENT IS UNDER A SITE SAMPLING AUDIT PLAN</b>	



#### Brief Description of the concession

The first Concession Permit of PT Harapanjaya Makmur Lestari was based on the Decree of Pelalawan Regent Number 522.21/IUPHHKHTI/I/2003 /016 on 31 January 2003 of 4,800 ha in Pelalawan. After the issuance of the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number : SK 205/Menlhk/Setjen/HPL.0/5/2021 dated May 5,2021, the concession area become of 5,086.44 Ha (five thousand eighty-six and forty-four per hundred) in Pelalawan Regency, Riau Province. Then, there was a Decree of the Minister of Environment and Forestry No SK.807/Menlhk/Setjen/HPL.0/9/2021 dated September 21,2021 about a change of nomenclature from IUPHHK-HTI to PBPH. There was no conversion of natural forest into plantation forest above December 31, 2010. The entire area is certified by IFCC.

According to the long-term plan (RKUPHHK document) which approved by the Decree of the Minister of Environment and Forestry No. SK.6027/MenLHK-PHPL/UHP/HPL.1/6/2019, the spatial plan consists of Local Protected Areas and Other Protected Areas of 2,706 Ha (56.38%), Staple Plant of 1,677 Ha (34.94%), and Livelihood Plant of 417 ha (8.68%). To achieve the allocation of the percentage of livelihood plant to be at least 20%, it is met from the Protected Area in the form of utilization of non-timber forest products.

The geographical location of the concession is at 0°20'32" to 0°25'24" North and 102°20'28" to 102°25'44" East. It falls under the government of Teluk Meranti District, Pelalawan Regency. Based on the Potential Mapping and Conflict Resolution Report for the second Semester of 2023, there are two villages around the concession, namely Pangkalan Terap Village and Kuala Panduk Village, Teluk Meranti District, Pelalawan Regency. The area is part of Kutub River - Simpang Kanan River Forest Group. The boundaries of the working area are as follows:

- North: HPHTI Area of PT. Madukoro Lestari,
- South : PT Gemilang Cipta Nusantara Ecosystem Restoration HPH Area,
- East : PT Gemilang Cipta Nusantara Ecosystem Restoration HPH Area,
- West : HPHTI Area of PT RAPP Pelalawan Estate.

The whole area of PT Harapanjaya Makmur Lestari is peat area with a flat topography. It lies at an altitude of 12-15 masl with soil type of Fluvaquents (alluvial or regosol), Tropaquents (Alluvial, Andosol, Regosol) and Tropohemissts (peat). The geology is included in a peat formation as well. The climate condition in the concession area is type A (very wet). The staple plant species cultivated is *Acacia crasscarpa*.

#### Description of the socio-economic conditions of the concession and the concession's social programs

There are no customary community but local community, within and around the concession area. According to the Social Impact Assessment Report 2024, the livelihoods of the residents around the concession are dominated by farmers and river fishermen, while others are traders, civil servants, labors, drivers, etc.

PT Harapanjaya Makmur Lestari already has a complaint and dispute resolution mechanism. The Organization has carried out socialization of the mechanism for submitting complaints to the surrounding community. There was socializations to two villages on March 2024. The socialization includes annual plan, Community Development, vision and mission, Protected Area socialization, SOP, etc. Based on the Potential Mapping and Conflict Resolution Report for the second Semester of 2023, there are no claims and conflicts between the Organizations and the surrounding community.

PT Harapanjaya Makmur Lestari has cooperated with the surrounding community. There are cooperation of livelihood plants with two surrounding villages since 2018 and 2019. PT Harapanjaya Makmur Lestari has made efforts to build a forest-based local economy. Based on the report on the implementation of the Community Development Program in 2023, there were two activities carried out, namely electric generator assistance for a village mosque, and staple food

aid for flood victims of a village. As for 2024, the activities that have been carried out to the village such as assistance of grass cutting machine and water pump and staple food aid for flood victims.

#### Description of the Ecological conditions of the concession

PT Harapanjaya Makmur Lestari has identified and analyzed the important impacts caused by the company's operations on the environment as stated in the EIA document, RKL/RPL and the Environmental Implementation Report semester 2 of 2023. The entire area of the organization is a peat swamp area. The Organization has built a canal network infrastructure for its operations. The built infrastructure has minimized the use of protected areas. From observations it is known that the condition of the protected area diversity of vertical and horizontal stands are quite good. There are some local native species that are threatened or protected, such as Meranti (*Shorea* sp), Ramin (*Gonystylus bancanus*), Resak (*Vatica pauciflora*), Palembang merah (*Cyrtostachys renda*), kantong semar (*Nepenthes mirabilis*), etc. As for the fauna, such as Harimau Sumatra (*Panthera tigris*), Lutung simpai (*Presbytis melalophos*), Ungko (*Hylobates agilis*), etc.

The Organization has identified land cover within the last year. There is no degraded or undergrown land found within the protected area. In harvesting activities, the Organization has implemented RIL (*Reduce Impact Logging*). The Organization avoids prolonged land clearing and has "no -burn" policy. At the time of the audit, there was no harvesting activity. The Organization has implemented appropriate/measurable measures to protect its working areas from damage caused by forest management operations. PT Harapanjaya Makmur Lestari allocates Local Protected Areas and Other Protected Areas of 2,706 ha (56.38%), consisting of KPPN/KPSL of 454 Ha (9.46%), with a peat dome peak of 180 Ha, and Other Protected Areas of 2,254 Ha (46.92% with a peat dome peak of 1,080.20 Ha).

The Organization has made efforts in the prevention and control of forest and land fires, such as prepare and train firefighter members, patrols by using speedboats and monitoring from the fire tower, carried out socialization about fire to nearby communities and the formation Community with Fire Awareness (MPA) with the villages, etc. The Organization does not carry out the planting of genetically modified (GMO) plant seeds.

The community is allowed to use non-timber forest products (HHBK) in the work area. The most widely taken is fish in the canal. These activities are permitted on condition that they are managed traditionally and not by poisoning and electricity. The Organization has also made a report on the implementation of environmental permits semester 2 of 2023 as monitoring and evaluation material. There is evidence that the report has been reported to the relevant agencies.

#### Results of the Public Consultation

Prior to conducting Transition to IFCC ST 1001:2021 + Surveillance 2 Audit on PT Harapanjaya Makmur Lestari, PT Acube TIC International has made a public announcement and public consultation. Invitation to public consultation to stakeholders to obtain input as materials/considerations through the website [www.ajaindonesia.com](http://www.ajaindonesia.com) on June 12, 2024. The stakeholders can provide input for audit considerations to PT Acube TIC International email. There is no input from stakeholders.

The audit team also collected information from the mass media about PT Harapanjaya Makmur Lestari. The reported cases are considered as part of the PT Acube TIC International audit process.

The Organisation has identified all the necessary requirements for this certification process, which consist of legal aspects which include compliance with international rules and regulations and conventions. A management system has been developed to cover all activities in the area of certification, which are registered for the certification area of 5,086.44 hectares.



#### Organisation progress record related to corrective action on findings of nonconformities in previous audit

The Surveillance 1 Audit result of PT Harapanjaya Makmur Lestari is 1 (one) Minor non-conformity. The Organization has made improvements and the finding is closed.

No	Non-conformities	Closed Out at Surveillance 1	Closed Out at Surveillance 2 2024	Categories
1.	<p>The Temporary Storage Area (TPS) for B3 Waste were not in accordance with some requirements, such as:</p> <ul style="list-style-type: none"> <li>• There was no saw dust and sand inside the storage as the spill kit.</li> <li>• There is no information about the barrier between the solid and liquid waste.</li> <li>• The sink for washing hands when exposed to LB3 was broken.</li> </ul> <p>Indicator I.6.6</p>	<p>The Organization has performed:</p> <ul style="list-style-type: none"> <li>• Made LB3 checking schedules and carried out the routine checks.</li> <li>• Reparation of the sink for washing hands in the LB3 TPS.</li> <li>• Made a barrier between liquid and solid waste.</li> </ul>	<p>PT. Harapanjaya Makmur Lestari has carried out repairs, created and implemented a routine LB3 checking schedule, repaired the sink in the LB3 warehouse and created a barrier between liquid and solid waste.</p>	Minor

#### Findings on the certified client conformity with the certification requirements and description of critical issues in relation to the conformity.

The Transition to IFCC ST 1001:2021 + Surveillance 2 Audit result is no non-conformity.

#### Conditions under which the certificate is issued

Certificate number AJA/IFCC-PEFC/FMC-HT/00044/IX/2018 is valid until 10/09/2025, provided that PT Harapanjaya Makmur Lestari maintains its Recertification schedule and does not have potential major non-conformity at the next Recertification.